Q1 2017 Earnings Report

Sabre Corporation

May 2, 2017

Forward-looking statements

Forward-looking Statements

Certain statements herein are forward-looking statements about trends, future events, uncertainties and our plans and expectations of what may happen in the future. Any statements that are not historical or current facts are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as “outlook,” “expect,” “plan,” “will,” “guidance,” “forecast,” “intend,” “potential,” “continue,” “anticipate,” “opportunity,” “believe,” “aim,” “may,” “should,” “would,” or the negative of these terms or other comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sabre’s actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. The potential risks and uncertainties include, among others, dependency on transaction volumes in the global travel industry, particularly air travel transaction volumes, exposure to pricing pressure in the Travel Network business, the implementation and effects of new or renewed agreements, travel suppliers' usage of alternative distribution models, maintenance of the integrity of our systems and infrastructure and the effect of any security breaches, competition in the travel distribution market and solutions markets, failure to adapt to technological developments, dependence on maintaining and renewing contracts with customers and other counterparties and collecting amounts due to us under these agreements changes affecting travel supplier customers, use of third-party distributor partners, dependence on relationships with travel buyers, adverse global and regional economic and political conditions, including, but not limited to, economic conditions in countries or regions with traditionally high levels of exports to China or that have commodities-based economies and the effect of “Brexit” and uncertainty due to related negotiations, risks arising from global operations, reliance on third parties to provide information technology services, the financial and business effects of acquisitions, including integration of these acquisitions, , our ability to recruit, train and retain employees, including our key executive officers and technical employees, and the effects of litigation. More information about potential risks and uncertainties that could affect our business and results of operations is included in the "Risk Factors" and “Forward-Looking Statements” sections in our Annual Report on Form 10-K filed with the SEC on February 17, 2017 and in our other filings with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, outlook, guidance, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Unless required by law, Sabre undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date they are made.

Non-GAAP Financial Measures

This presentation includes unaudited non-GAAP financial measures, including Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS, Free Cash Flow, and the ratios based on these financial measures. In addition, we provide certain forward guidance with respect to Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow. We are unable to provide this forward guidance on a GAAP basis without unreasonable effort; however, see “2017 Business Outlook and Financial Guidance” in the appendix for additional information including estimates of certain components of the non-GAAP adjustments contained in the guidance.

We present non-GAAP measures when our management believes that the additional information provides useful information about our operating performance. Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by other companies. The presentation of non-GAAP financial measures is not intended to be a substitute for, and should not be considered in isolation from, the financial measures reported in accordance with GAAP. See “Non-GAAP Financial Measures” below for an explanation of the non-GAAP measures and “Tabular Reconciliations for Non-GAAP Measures” below for a reconciliation of the non-GAAP financial measures to the comparable GAAP measures.

Industry Data

This presentation and accompanying comments contain industry data, forecasts and other information that we obtained from industry publications and surveys, public filings and internal company sources, and there can be no assurance as to the accuracy or completeness of the included information. Statements as to our ranking, market position, bookings share and market estimates are based on independent industry publications, government publications, third-party forecasts and management’s estimates and assumptions about our markets and our internal research. We have not independently verified this third-party information nor have we ascertained the underlying economic assumptions relied upon in those sources, and we cannot assure you of the accuracy or completeness of this information.

Today's presenters

Sean Menke
President & CEO

Rick Simonson
EVP & CFO

Q1 2017 financial highlights

- Stronger than expected revenue, EBITDA and EPS growth
  - Supportive macro environment driving growth in travel
  - Strong bookings, passengers boarded, and hotel transaction growth

	Q1 2017	Growth
Revenue	$915M	+6%
Adjusted EBITDA	$298M	+4%
Adjusted Op Income	$211M	(1%)
Adjusted EPS	$0.42	+2%

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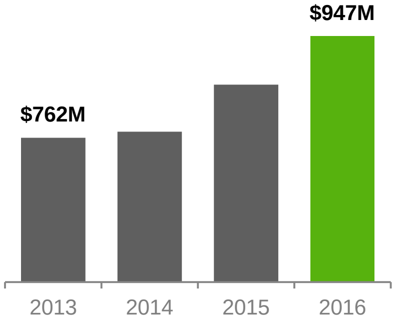
Q1 2017 business highlights

New wins and implementations from across the globe

- Hospitality Solutions
  - New wins and share of wallet expansion including at Grand Hotels and Two Roads Hospitality
  - Successful implementations include Oak Hotels & Resorts and Hospitality International
- Airline Solutions
  - New wins include Intelligence Exchange at LATAM and SabreSonic win at PAWA Dominicana
  - Successful implementations include Movement Manager at Thai Lion and Malindo Airlines
- Travel Network
  - Renewals include full content at Hertz and renewed agreement at Australia-based CTM
  - New Sabre Red Workspace live at pilot customers, global roll-out to begin this summer

Effective technology investments

Technology Investment[1]

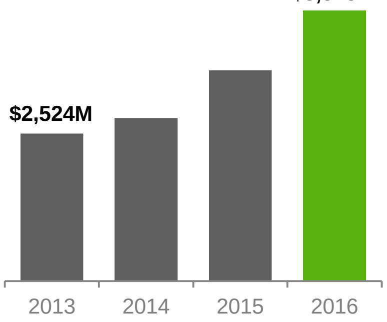


+$185M

Increase in annual technology investment from 2013 to 2016

Significant investment in technology architecture, network systems, platforms and applications…

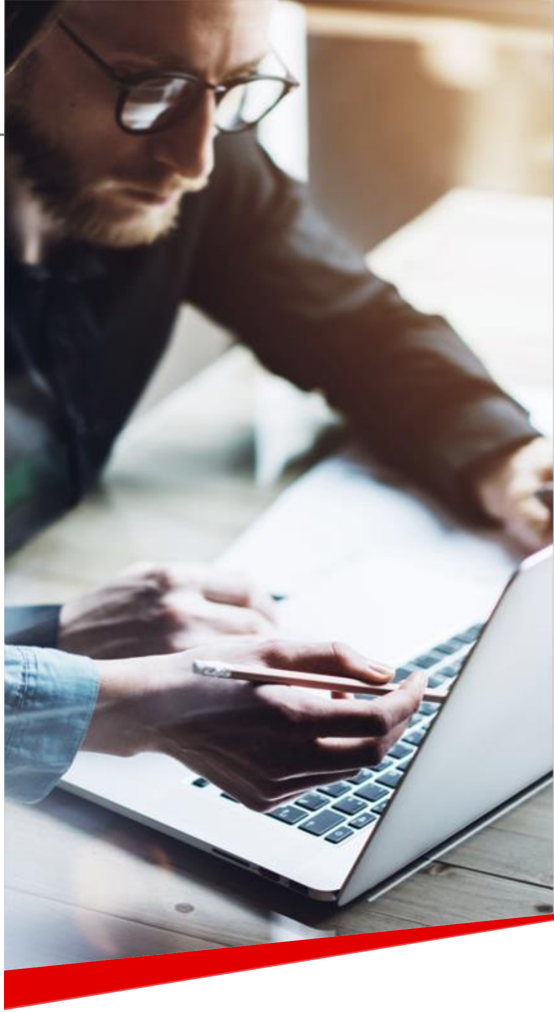
Revenue



+$850M

Increase in annual revenue from 2013 to 2016

…allowed us to scale for positive financial leverage and grow share across our global businesses



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[1]Includes expensed and capitalized development labor, data processing expenses, communications, software, hardware, cloud computing expense and other technology-related expenses

Continuing to evolve our technology architecture

Accelerating adoption of the latest open source technology

Shopping & Booking
Migrating to private cloud for stability and lower costs

Hospitality Solutions
Accelerating investment in 100% cloud-based solution

Airline Solutions
Complement open source systems with transition to the cloud

and the delivery of cloud-based solutions to our customers

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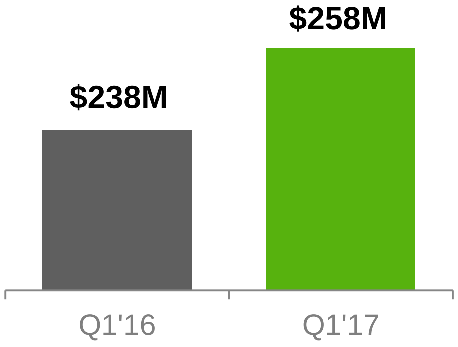
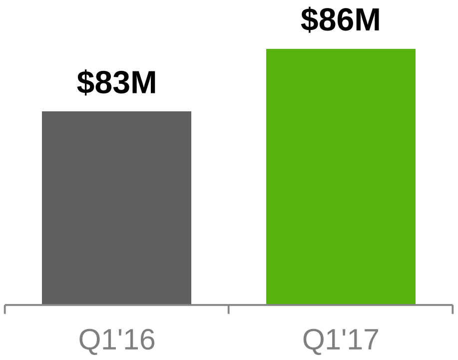
Q1 2017 Airline and Hospitality Solutions

Revenue



Adjusted EBITDA



+8%
Q1 2017
YOY GROWTH

+3%
Q1 2017
YOY GROWTH

33.1%
Q1 2017
EBITDA MARGIN

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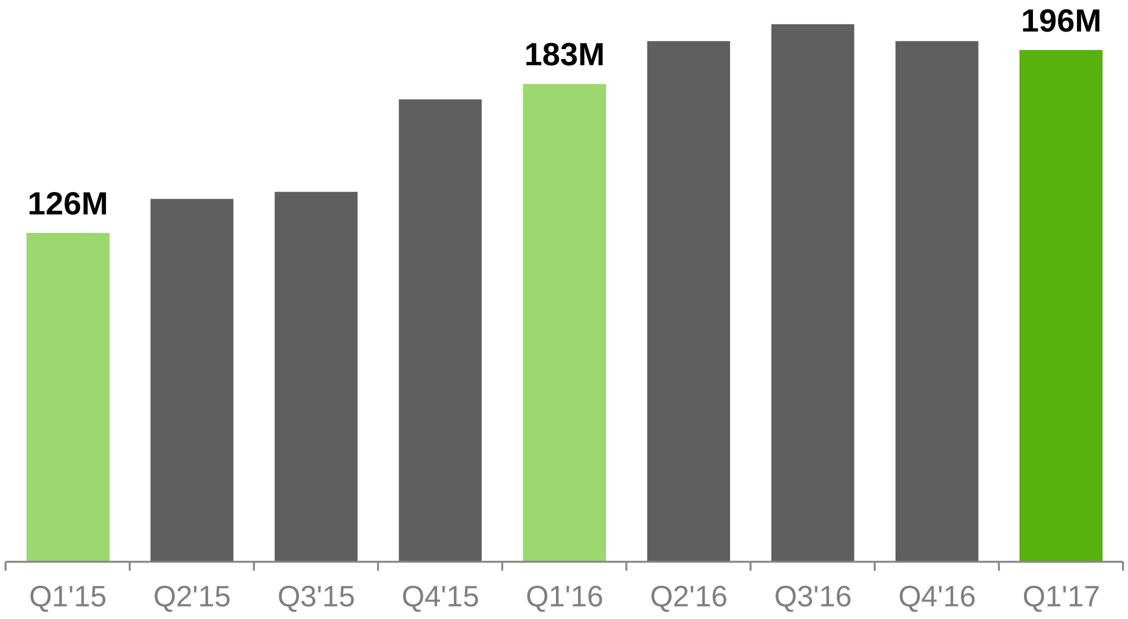
Total quarterly passengers boarded



+7%

Q1 2017
YOY GROWTH

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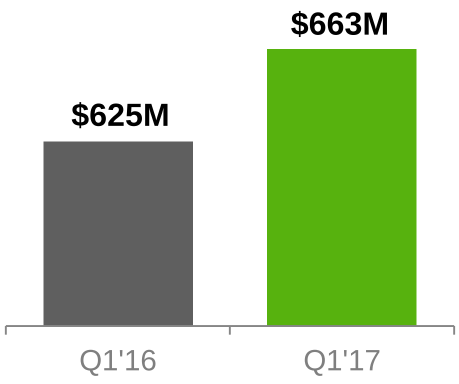
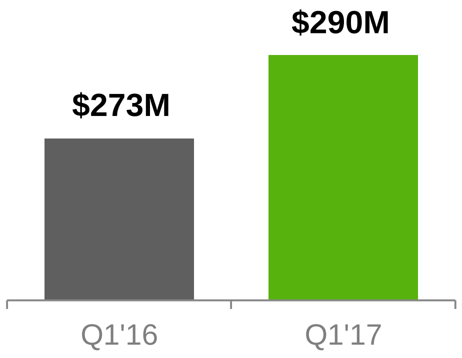
Q1 2017 Travel Network

Revenue



Adjusted EBITDA



+6%

Q1 2017
YOY GROWTH

+6%

Q1 2017
YOY GROWTH

43.7%

Q1 2017
EBITDA MARGIN

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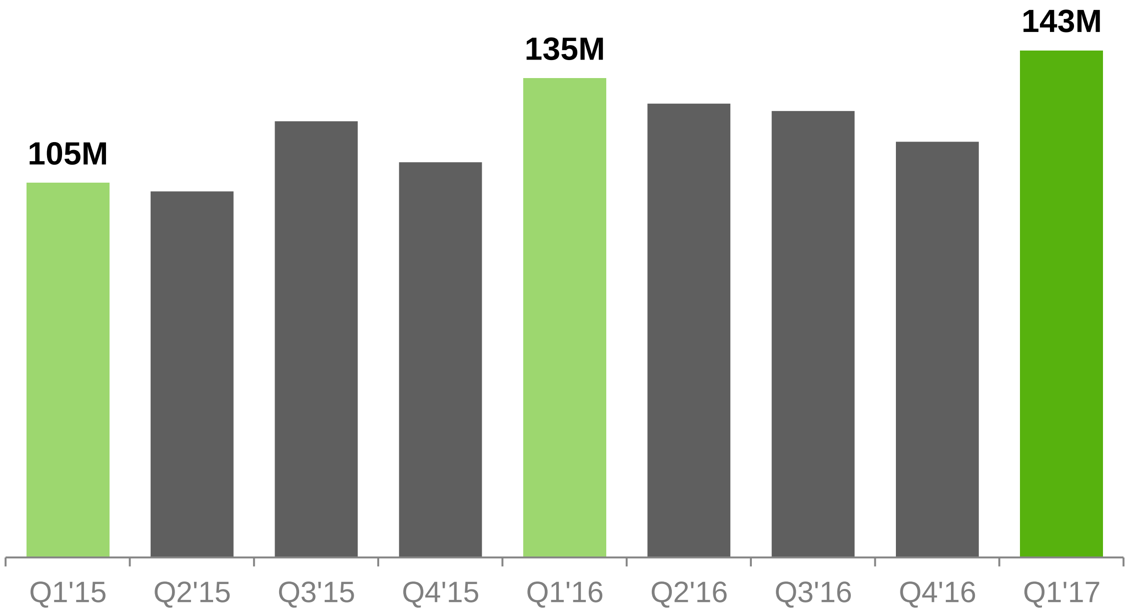
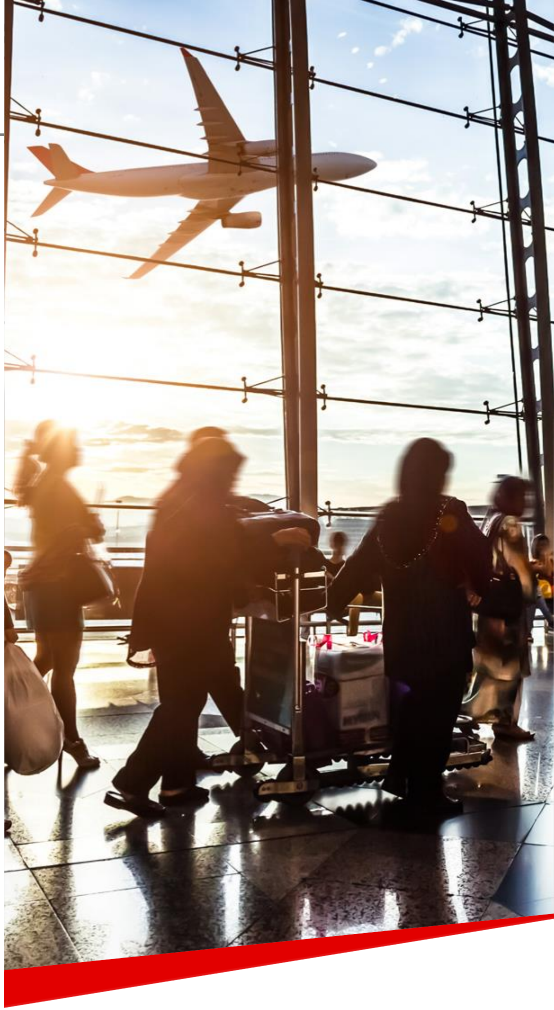
Total Travel Network quarterly bookings



+6%

Q1 2017
YOY GROWTH



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Total Q1 2017 bookings growth by region

APAC

+9.6%

NAM

+3.2%

EMEA

+8.6%

LAC

+8.4%

+36.7%

Q1 2017
GLOBAL AIR BOOKING SHARE

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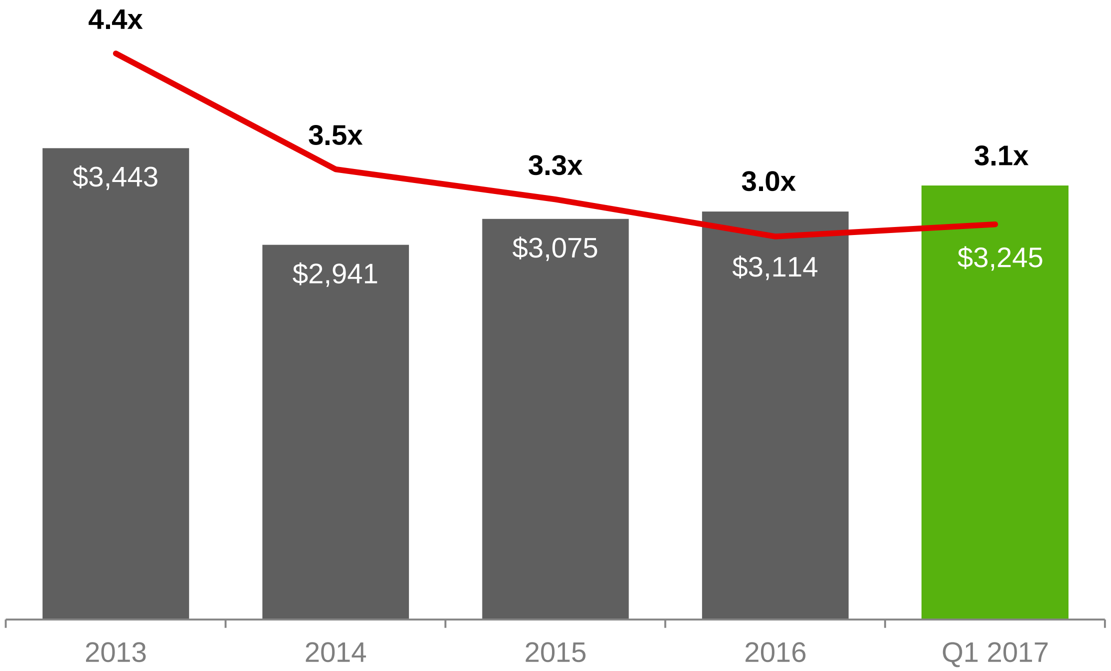
Net debt, leverage[1] and cash flow



$123M

Q1 2017
CASH PROVIDED BY OPERATING ACTIVITES

$35M

Q1 2017
FREE CASH FLOW

[1]Net Debt/LTM Adjusted EBITDA.

Reiterating FY 2017 Guidance

	Guidance	Growth
Revenue	**$3,540M - $3,620M**	*5% - 7%*
Adjusted EBITDA	**$1,080M - $1,120M**	*3% - 7%*
Adjusted Net Income	**$370M - $410M**	*0% - 11%*
Adjusted EPS	**$1.31 - $1.45**	*0% - 11%*
Free Cash Flow	**Approximately $350M**	
GAAP Capital Expenditures	**$360M - $380M**	
Capitalized Implementation Costs	**$85M - $95M**	

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The information presented here represents forward-looking statements and reflects expectations as of May 2, 2017. Sabre assumes no obligation to update these statements. Results may be materially different and are affected by many factors detailed in the accompanying release and in Sabre's 2016 Form 10-K.

Thank you

Appendix

Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA (in thousands, except per share amounts; unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net income attributable to common stockholders	$ 75,939	$ 105,167
Loss (income) from discontinued operations, net of tax	477	(13,350)
Net income attributable to noncontrolling interests[1]	1,306	1,102
Income from continuing operations	77,722	92,919
Adjustments:		
Acquisition-related amortization[2a]	35,181	34,130
Other, net [4]	15,234	(3,360)
Restructuring and other costs [5]	—	124
Acquisition-related costs[6]	—	108
Litigation costs (reimbursements), net[7]	3,501	(3,846)
Stock-based compensation	8,034	10,289
Tax impact of net income adjustments	(21,568)	(15,716)
Adjusted Net Income from continuing operations	$ 118,104	$ 114,648
Adjusted Net Income from continuing operations per share	$ 0.42	$ 0.41
Diluted weighted-average common shares outstanding	279,559	281,963
Adjusted Net Income from continuing operations	$ 118,104	$ 114,648
Adjustments:		
Depreciation and amortization of property and equipment[2b]	61,300	53,665
Amortization of capitalized implementation costs[2c]	9,189	8,488
Amortization of upfront incentive consideration[3]	16,132	12,337
Interest expense, net	39,561	41,202
Remaining provision for income taxes	53,275	57,140
Adjusted EBITDA	$ 297,561	$ 287,480

Reconciliation of operating income to Adjusted Operating Income

(in thousands; unaudited)

	Three Months Ended March 31,	
	2017	2016
Operating income	$ 163,326	$ 171,422
Adjustments:		
Joint venture equity income	898	763
Acquisition-related amortization[2a]	35,181	34,130
Restructuring and other costs [5]	—	124
Acquisition-related costs[6]	—	108
Litigation costs (reimbursements), net[7]	3,501	(3,846)
Stock-based compensation	8,034	10,289
Adjusted Operating Income	$ 210,940	$ 212,990

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Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin by segment

(in thousands; unaudited)

	Three Months Ended March 31, 2017			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 252,724	$ 46,740	$ (136,138)	$ 163,326
Add back:				
Selling, general and administrative	31,083	20,584	92,774	144,441
Cost of revenue adjustments:				
Depreciation and amortization(2)	19,079	38,024	16,594	73,697
Amortization of upfront incentive consideration(3)	16,132	—	—	16,132
Stock-based compensation	—	—	3,181	3,181
Adjusted Gross Profit	319,018	105,348	(23,589)	400,777
Selling, general and administrative	(31,083)	(20,584)	(92,774)	(144,441)
Joint venture equity income	898	—	—	898
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	1,389	753	29,831	31,973
Litigation costs(7)	—	—	3,501	3,501
Stock-based compensation	—	—	4,853	4,853
Adjusted EBITDA	$ 290,222	$ 85,517	$ (78,178)	$ 297,561
Operating income margin	38.1%	18.1%	NM	17.8%
Adjusted EBITDA margin	43.7%	33.1%	NM	32.5%

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Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin by segment

(in thousands; unaudited)

	Three Months Ended March 31, 2016			
	Travel Network	Airline and Hospitality Solutions	Corporate	Total
Operating income (loss)	$ 241,544	$ 47,145	$ (117,267)	$ 171,422
Add back:				
Selling, general and administrative	33,373	18,241	82,242	133,856
Cost of revenue adjustments:				
Depreciation and amortization(2)	17,660	35,490	13,357	66,507
Amortization of upfront incentive consideration(3)	12,337	—	—	12,337
Stock-based compensation	—	—	4,074	4,074
Adjusted Gross Profit	304,914	100,876	(17,594)	388,196
Selling, general and administrative	(33,373)	(18,241)	(82,242)	(133,856)
Joint venture equity income	763	—	—	763
Selling, general and administrative adjustments:				
Depreciation and amortization(2)	870	303	28,603	29,776
Restructuring and other costs (5)	—	—	124	124
Acquisition-related costs(6)	—	—	108	108
Litigation reimbursements, net(7)	—	—	(3,846)	(3,846)
Stock-based compensation	—	—	6,215	6,215
Adjusted EBITDA	$ 273,174	$ 82,938	$ (68,632)	$ 287,480
Operating income margin	38.6%	19.8%	NM	19.9%
Adjusted EBITDA margin	43.7%	34.8%	NM	33.4%

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Tabular reconciliations for Non-GAAP measures

Reconciliation of net income (loss) attributable to common shareholders to Adjusted Net Income and Adjusted EBITDA (in thousands, except per share amounts; unaudited)

	Three Months Ended				
	Jun 30, 2016	Sept. 30, 2016	Dec 31, 2016	Mar 31, 2017	LTM
Net income attributable to common stockholders	$ 72,019	$ 40,815	$ 24,561	$ 75,939	$ 213,334
(Income) loss from discontinued operations, net of tax	2,098	394	5,309	477	8,278
Net income attributable to noncontrolling interests[1]	1,078	1,047	1,150	1,306	4,581
Income from continuing operations	75,195	42,256	31,020	77,722	226,193
Adjustments:					
Acquisition-related amortization[2a]	34,018	39,430	35,847	35,181	144,476
Loss on extinguishment of debt	—	3,683	—	—	3,683
Other, net [4]	(876)	(281)	(23,100)	15,234	(9,023)
Restructuring and other costs [5]	1,116	583	16,463	—	18,162
Acquisition-related costs[6]	516	90	65	—	671
Litigation costs, net[7]	1,901	7,034	41,906	3,501	54,342
Stock-based compensation	12,810	12,913	12,512	8,034	46,269
Depreciation and amortization of property and equipment[2b]	56,214	58,271	65,153	61,300	240,938
Amortization of capitalized implementation costs[2c]	8,211	11,529	9,030	9,189	37,959
Amortization of upfront incentive consideration[3]	13,896	17,139	12,352	16,132	59,519
Interest expense, net	37,210	38,002	41,837	39,561	156,610
Provision for income taxes	31,273	7,208	6,740	31,707	76,928
Adjusted EBITDA	$ 271,484	$ 237,857	$ 249,825	$ 297,561	$ 1,056,727
Net Debt (total debt, less cash)					$ 3,245,084
Net Debt / LTM Adjusted EBITDA					3.1x

Please reference SABR HISTORICAL Excel spreadsheet at investors.sabre.com for reconciliation of Net Debt / LTM Adjusted EBITDA for twelve months ended 12/31/2016, 12/31/2015, 12/31/2014, and 12/31/2013.

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Reconciliation of Free Cash Flow

(in thousands; unaudited)

	Three Months Ended March 31,	
	2017	2016
Cash provided by operating activities	$ 123,035	$ 140,165
Cash used in investing activities	(88,318)	(234,140)
Cash used in financing activities	(107,788)	(110,902)

	Three Months Ended March 31,	
	2017	2016
Cash provided by operating activities	$ 123,035	$ 140,165
Additions to property and equipment	(88,318)	(75,472)
Free Cash Flow	$ 34,717	$ 64,693

2017 Business outlook and financial guidance

With respect to the guidance below, full-year Adjusted Net Income guidance consists of full-year expected net income attributable to common stockholders less the estimated impact of loss from discontinued operations, net of tax, of approximately $5 million; net income attributable to noncontrolling interests of approximately $5 million; acquisition-related amortization of approximately $100 million; stock-based compensation expense of approximately $50 million; other items (primarily consisting of litigation and other costs) of approximately $40 million; and the tax benefit of these adjustments of approximately $60 million. Full-year Adjusted EPS guidance consists of Adjusted Net Income divided by our projected weighted-average diluted common share count for the full year of approximately 283 million.

Full-year Adjusted EBITDA guidance consists of expected Adjusted Net Income guidance less the impact of depreciation and amortization of property and equipment, amortization of capitalized implementation costs and amortization of upfront incentive consideration of approximately $370 million; interest expense, net of approximately $160 million; and provision for income taxes less tax impact of net income adjustments of approximately $180 million.

Full-year Free Cash Flow guidance consists of expected full-year cash provided by operating activities of $710 million to $730 million less additions to property and equipment of $360 million to $380 million.

Non-GAAP financial measures

We have included both financial measures compiled in accordance with GAAP and certain non-GAAP financial measures, including Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income from continuing operations per share (Adjusted EPS), Free Cash Flow and ratios based on these financial measures.

We define Adjusted Net Income as net income attributable to common stockholders adjusted for income (loss) from discontinued operations, net of tax, net income attributable to noncontrolling interests, acquisition-related amortization, loss on extinguishment of debt, other, net, restructuring and other costs, acquisition-related costs, litigation costs (reimbursements), net, stock-based compensation and the tax impact of net income adjustments.

We define Adjusted EBITDA as Adjusted Net Income adjusted for depreciation and amortization of property and equipment, amortization of capitalized implementation costs, amortization of upfront incentive consideration, interest expense, net, and remaining provision (benefit) for income taxes.

We define Adjusted EPS as Adjusted Net Income divided by the applicable share count.

We define Free Cash Flow as cash provided by operating activities less cash used in additions to property and equipment.

Non-GAAP financial measures

These non-GAAP financial measures are key metrics used by management and our board of directors to monitor our ongoing core operations because historical results have been significantly impacted by events that are unrelated to our core operations as a result of changes to our business and the regulatory environment. We believe that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate our ability to service debt obligations, fund capital expenditures and meet working capital requirements. We also believe that Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, and Adjusted EPS assist investors in company-to-company and period-to-period comparisons by excluding differences caused by variations in capital structures (affecting interest expense), tax positions and the impact of depreciation and amortization expense. In addition, amounts derived from Adjusted EBITDA are a primary component of certain covenants under our senior secured credit facilities.

Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS, Free Cash Flow, and ratios based on these financial measures are not recognized terms under GAAP. These non-GAAP financial measures and ratios based on them have important limitations as analytical tools, and should not be viewed in isolation and do not purport to be alternatives to net income as indicators of operating performance or cash flows from operating activities as measures of liquidity. These non-GAAP financial measures and ratios based on them exclude some, but not all, items that affect net income or cash flows from operating activities and these measures may vary among companies. Our use of these measures has limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Some of these limitations are:

- these non-GAAP financial measures exclude certain recurring, non-cash charges such as stock-based compensation expense and amortization of acquired intangible assets;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash requirements for such replacements;
- Adjusted Net Income and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us;
- Free Cash Flow removes the impact of accrual-basis accounting on asset accounts and non-debt liability accounts, and does not reflect the cash requirements necessary to service the principal payments on our indebtedness; and
- Other companies, including companies in our industry, may calculate Adjusted Net Income, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted EPS or Free Cash Flow differently, which reduces their usefulness as comparative measures.

Non-GAAP footnotes

1) Net income attributable to noncontrolling interests represents an adjustment to include earnings allocated to noncontrolling interests held in (i) Sabre Travel Network Middle East of 40%, (ii) Sabre Seyahat Dagitim Sistemleri A.S. of 40%, and (iii) Abacus International Lanka Pte Ltd of 40%.

2) Depreciation and amortization expenses:
    1) Acquisition-related amortization represents amortization of intangible assets from the take-private transaction in 2007 as well as intangibles associated with acquisitions since that date and amortization of the excess basis in our underlying equity in joint ventures.
    2) Depreciation and amortization of property and equipment includes software developed for internal use.
    3) Amortization of capitalized implementation costs represents amortization of upfront costs to implement new customer contracts under our SaaS and hosted revenue model.

3) Our Travel Network business at times provides upfront incentive consideration to travel agency subscribers at the inception or modification of a service contract, which are capitalized and amortized to cost of revenue over an average expected life of the service contract, generally over three to five years. Such consideration is made with the objective of increasing the number of clients or to ensure or improve customer loyalty. Such service contract terms are established such that the supplier and other fees generated over the life of the contract will exceed the cost of the incentive consideration provided upfront. Such service contracts with travel agency subscribers require that the customer commit to achieving certain economic objectives and generally have terms requiring repayment of the upfront incentive consideration if those objectives are not met.

4) In the first quarter of 2017, we recognized a $12 million loss related to debt modification costs associated with our debt refinancing. In the first quarter of 2016, we recognized a gain of $6 million associated with the receipt of an earn-out payment related to the sale of a business in 2013. In the third quarter of 2015, we recognized a gain of $86 million associated with the remeasurement of our previously-held 35% investment in Abacus International Pte Ltd and a gain of $12 million related to the settlement of pre-existing agreements between us and AIPL. In addition, other, net includes foreign exchange gains and losses related to the remeasurement of foreign currency denominated balances included in our consolidated balance sheets into the relevant functional currency.

5) Restructuring and other costs represent charges associated with business restructuring and associated changes implemented which resulted in severance benefits related to employee terminations, integration and facility opening or closing costs and other business reorganization costs.

6) Acquisition-related costs represent fees and expenses incurred associated with the acquisition of Abacus, the Trust Group and Airpas Aviation.

7) Litigation costs (reimbursements), net represent charges and legal fee reimbursements associated with antitrust litigation.